

COMMISSIONERS OF ST. MARY'S COUNTY

**Single Audit Together with
Reports of Independent Public Accountants**

For the Year Ended June 30, 2022



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JUNE 30, 2022

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REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS ON THE AUDIT OF THE FINANCIAL STATEMENTS

Commissioners of St. Mary's County

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Commissioners of St. Mary's County (the County) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information, of the County as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

The County's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.



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In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal controls. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal controls-related matters that we identified during the audit.



Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis and required supplementary information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the management’s discussion and analysis, required supplementary information, and budget and actual schedules as listed in the table of contents, in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County’s basic financial statements. The combining and individual fund statements, budget and actual schedules, schedule of unexpended appropriations for capital projects, and schedule of expenditures of Federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying combining and individual fund statements, budget and actual schedules, schedule of unexpended appropriations for capital projects, and schedule of expenditures of Federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying combining and individual fund statements, budget and actual schedules, schedule of unexpended appropriations for capital projects, and schedule of expenditures of Federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.



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Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 21, 2022 on our consideration of the County's internal controls over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal controls over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal controls over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal controls over financial reporting and compliance.

Owings Mills, Maryland
November 21, 2022

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**REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS ON INTERNAL CONTROLS
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Commissioners of St. Mary's County

We have audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Commissioners of St. Mary's County (the County) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated November 21, 2022.

Report on Internal Controls over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal controls over financial reporting (internal controls) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal controls. Accordingly, we do not express an opinion on the effectiveness of the County's internal controls.

A *deficiency in internal controls* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal controls, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal controls that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal controls over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal controls over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal controls over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.



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Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County’s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal controls and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County’s internal controls or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County’s internal controls and compliance. Accordingly, this communication is not suitable for any other purpose.

Owings Mills, Maryland
November 21, 2022



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REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROLS OVER COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE

Commissioners of St. Mary's County

Report on Compliance for Each Major Federal Program

We have audited Commissioners of St. Mary's County's (the County) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of the County's major Federal programs for the year ended June 30, 2022. The County's major Federal programs are identified in the summary of independent public accountant's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major Federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major Federal program. Our audit does not provide a legal determination of the County's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal controls over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the County's Federal programs.



Auditor’s Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the County’s compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the County’s compliance with the requirements of each major Federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the County’s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the County’s internal controls over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal controls over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the County’s internal controls over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal controls over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2022-001. Our opinion on each major Federal program is not modified with respect to this matter.

Government Auditing Standards requires the auditor to perform limited procedures on the County’s response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The County’s response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.



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Report on Internal Controls over Compliance

A deficiency in internal controls over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct noncompliance with a type of compliance requirement of a Federal program on a timely basis. *A material weakness in internal controls over compliance* is a deficiency, or combination of deficiencies in internal controls over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a Federal program will not be prevented, or detected and corrected on a timely basis. *A significant deficiency in internal controls over compliance* is a deficiency, or a combination of deficiencies, in internal controls over compliance with a type of compliance requirement of a Federal program that is less severe than a material weakness in internal controls over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal controls over compliance was for the limited purpose described in the *Auditor's Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal controls over compliance that might be material weaknesses or significant deficiencies in internal controls over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal controls over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal controls over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal controls over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal controls over compliance is solely to describe the scope of our testing of internal controls over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Government Auditing Standards requires the auditor to perform limited procedures on the County's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Owings Mills, Maryland
March 29, 2023

A handwritten signature in black ink that reads "SB & Company, LLC". The signature is written in a cursive, flowing style.

COMMISSIONERS OF ST. MARY'S COUNTY

Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2022

Federal Grantor/Pass Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass Through Entity Identifying Number	Federal Expenditures	Passed Through to Subrecipients
Department of Defense				
Community Investment - Retrofit Sidewalk	12 600	Unknown	\$ 21,956	\$ -
Community Economic Adjustment Assistance for Establishment or Expansion of a Military Installation	12 618	Unknown	99,168	-
Total Department of Defense			<u>121,124</u>	<u>-</u>
Department of Housing and Urban Development				
Community Development Block Grants/Special Purpose Grants/Insular Areas	14 225	MD-21-CD-2	86,623	86,623
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii - Covid-19	14 228	Unknown	118,745	-
Emergency Solutions Grants Program	14 231	CV-1-9	176,117	176,117
Total Department of Housing and Urban Development			<u>381,485</u>	<u>262,740</u>
Department of the Interior				
<u>Pass through the Maryland Department of Natural Resources</u>				
Coastal Wetlands Planning, Protection and Restoration Program	15 614	Unknown	557,191	-
Department of Justice				
Coronavirus Emergency Supplemental Funding - COVID-19	16 034	DOJ,OJP,BJA FY20	33,852	-
Edward Byrne Memorial Justice Assistance Grant Program	16 738	BJAG-2020-0020	30,000	-
	16 738	G22WB0004A	3,750	-
	16 738	15PBJA-21-GG-01561-JAGX	22,088	-
Total Department of Justice			<u>89,690</u>	<u>-</u>
Department of Transportation				
<u>Pass through the Maryland Department of Transportation.</u>				
<u>Maryland Aviation Administration</u>				
Airport Improvement Program	20 106	FAA CARES Act	25,313	-
	20 106	3-24-022-017-2012	8,922	-
	20 106	Unknown	75,713	-
	20 106	3-24-0022-027-2019; 24-0022-029-2020	3,139,279	-
<u>Pass through the Maryland Department of Transportation.</u>				
<u>Maryland Transit Administration</u>				
<u>Federal Transit Cluster</u>				
Federal Transit-Formula Grants	20 507	SM21CARES1102020	1,017,968	-
	20 507	SM215307O2022	153,741	-
<i>Total Federal Transit Cluster</i>			<u>1,171,709</u>	<u>-</u>
Formula Grants for Rural Areas	20 509	SM21CARES0702020	927,042	-
	20 509	SM215307C2021	1,328	-
	20 509	SM215311C2021	923	-
	20 509	SM215307C2021	66,851	-
	20 509	SM215311C2021	46,455	-
	20 509	SM215311O2022	106,837	-
<u>Pass through the Maryland Department of Transportation.</u>				
<u>Maryland State Highway Administration</u>				
<u>Highway Safety Cluster</u>				
State and Community Highway Safety	20 600	LE-St Mary's Co Sheriff-2022-126	1,386	-
National Priority Safety Programs	20 616	GNSMCHHealthDept2022-303 F105N	8,525	-
	20 616	LE-St Mary's Co Sheriff-2022-096	6,742	-
	20 616	LE 21-066	3,056	-
	20 616	LE 21-039	1,750	-
	20 616	LE 21-067	500	-
<i>Total Highway Safety Cluster</i>			<u>21,959</u>	<u>-</u>
Total Department of Transportation			<u>5,592,331</u>	<u>-</u>

The accompanying notes are an integral part of this schedule.

COMMISSIONERS OF ST. MARY'S COUNTY

Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2022

Federal Grantor/Pass - Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass Through Entity Identifying Number	Federal Expenditures	Passed Through to Subrecipients
Department of Treasury				
<u>Pass through the Maryland Department of Public Health</u>				
Coronavirus Relief Fund - COVID-19	21 019	Unknown	\$ 1,937,535	\$ -
<u>Pass through the Maryland Department of Housing and Community Development</u>				
Emergency Rental Assistance Program - COVID-19	21 023	Unknown	4,515,115	4,515,115
Coronavirus State and Local Fiscal Recovery Fund - COVID-19	21 027	Unknown	5,693,867	-
Total Department of Treasury			<u>12,146,517</u>	<u>4,515,115</u>
Department of Health and Human Services				
<u>Pass through the Maryland Department of Health and Human Services</u>				
Special Programs for the Aging, Title VII, Chapter 3, Programs for Prevention of Elder Abuse, Neglect, and Exploitation	93 041	Unknown	783	-
	93 041	Unknown	3,836	-
Special Programs for the Aging, Title VII, Chapter 2, Long Term Care Ombudsman Services for Older Individuals - COVID-19	93 042	Unknown	3,443	-
Special Programs for the Aging, Title III, Part D, Disease Prevention and Health Promotion Services	93 043	Unknown	8,029	-
	93 043	650620/17	1,616	-
	93 043	Unknown	845	-
<i>Aging Cluster</i>				
Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	93 044	652120/17	323	-
	93 044	650120/17	7,893	-
	93 044	654520/17	15,634	-
	93 044	Unknown	29,259	-
	93 044	Unknown	40,832	-
	93 044	Unknown	84,420	-
Special Programs for the Aging, Title III, Part C, Nutrition Services	93 045	650220/17	2,741	-
	93 045	Unknown	35,306	-
	93 045	Unknown	45,366	-
	93 045	Unknown	108,923	-
	93 045	Unknown	60,969	-
	93 045	654620/17	664	-
Nutrition Services Incentive Program	93 053	Unknown	11,581	-
	93 053	Unknown	6,904	-
<i>Total Aging Cluster</i>			<u>450,815</u>	-
National Family Caregiver Support, Title III, Part E	93 052	652020/17	856	-
	93 052	Unknown	17,672	-
	93 052	Unknown	32,886	-
	93 052	653421/17	3,661	-
	93 052	US2039/IIIE-FCC3	547	-
Medicare Enrollment Assistance Program	93 071	Unknown	2,951	-
	93 071	653721/17	799	-
Projects for Assistance in Transition from Homelessness (PATH)	93 150	MH592OTH Contract 22-1104	30,190	-
State Health Insurance Assistance Program	93 324	653921/17	14,520	-
<u>Pass through the Maryland Department of Human Resources</u>				
Child Support Enforcement	93 563	CSEA/CRA/18-022	142,393	-
	93 563	CSA/CRA-20-040-A1	2,420	-
	93 563	CSA/CRA-22-022	489,804	-
	93 563	CSA/CRA-22-040	8,083	-
<i>CCDF Cluster</i>				
Child Care and Development Block Grant	93 575	Unknown	228,283	-
<i>Total CCDF Cluster</i>			<u>228,283</u>	-
<i>Medicaid Cluster</i>				
Medical Assistance Program	93 778	650421/17	82,632	-
	93 778	Unknown	143,963	-
<i>Total Medicaid Cluster</i>			<u>226,595</u>	-
Opioid STR	93 788	BH240SUP	28,304	-
	93 788	BH261SOR/22-1124	136,898	-
Total Department of Health and Human Services			<u>1,836,229</u>	<u>-</u>

The accompanying notes are an integral part of this schedule.

COMMISSIONERS OF ST. MARY'S COUNTY

Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2022

Federal Grantor/Pass - Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass Through Entity Identifying Number	Federal Expenditures	Passed Through to Subrecipients
Corporation for National and Community Service				
AmeriCorps Seniors Retired and Senior Volunteer Program	94 002	N/A	\$ 73,381	\$ -
	94 002	19SRAMD003	25,955	-
Total Corporation for National and Community Service			<u>99,336</u>	<u>-</u>
Executive Office of the President				
High Intensity Drug Trafficking Areas Program	95 001	G21WB0004A	3,750	-
Department of Homeland Security				
Disaster Grants-Public Assistance-Isaias TS	97 036	Unknown	460,634	-
<u>Pass through the Maryland Emergency Management Agency</u>				
Emergency Management Performance Grants	97 042	Unknown	20,874	-
	97 042	Unknown	54,910	-
	97 042	Unknown	11,437	-
Homeland Security Grant Program	97 067	EMW-2020-SS-00010 SHSP	17,406	-
	97 067	Unknown	34,560	-
Total Department of Homeland Security			<u>599,821</u>	<u>-</u>
Total Expenditures of Federal Awards			<u>\$ 21,427,474</u>	<u>\$ 4,777,855</u>

The accompanying notes are an integral part of this schedule.

COMMISSIONERS OF ST. MARY'S COUNTY

Notes to the Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

All Federal grant operations of the Commissioners of St. Mary's County (the County) are included in the scope of the Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the Single Audit or Uniform Guidance). The Single Audit was performed in accordance with the provisions of the Office of Management and Budget (OMB) Compliance Supplement (the Compliance Supplement). Compliance testing of all requirements, as described in the Compliance Supplement, was performed for the major grant program noted below. The programs on the accompanying schedule of expenditures of Federal awards represent all Federal award programs and other grants with fiscal year 2022 cash or non-cash expenditure activities. For our Single Audit testing, we tested the Federal award program with 2022 cash and non-cash expenditures to ensure coverage of at least 20% of Federally granted funds. Our actual coverage was 71%.

Expenditures reported on the schedule of expenditures of Federal awards (the Schedule) are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The County has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

Major Programs	Federal Assistance Listing Number	Federal Expenditures
Coastal Wetlands Planning, Protection and Restoration Program	15.614	\$ 557,191
Airport Improvement Program	20.106	3,249,227
	20.500, 20.507,	
Federal Transit Cluster	20.525, 20.526	1,171,709
Emergency Rental Assistance Program - COVID-19	21.023	4,515,115
Coronavirus State and Local Fiscal Recovery Fund - COVID-19	21.027	5,693,867
Total Major Programs		\$ 15,187,109

2. BASIS OF PRESENTATION

The accompanying Schedule includes the Federal award activity of the County and is presented on the accrual basis of accounting. The information in the Schedule is presented in accordance with the requirements of the cost principles contained in the Uniform Guidance.

COMMISSIONERS OF ST. MARY'S COUNTY

Schedule of Findings and Questioned Costs For the Year Ended June 30, 2022

Section I - Summary of Independent Public Accountants' Results

Financial Statements

Type of Independent Public Accountant' report issued:	Unmodified
Internal controls over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies)?	None Reported
Noncompliance material to the financial statements noted?	No

Federal Awards

Type of Independent Public Accountant' report issued on compliance for major programs	Unmodified
Internal controls over major programs:	
Material weakness(es) identified?	No
Significant deficiency(ies)?	None Reported
Any audit findings disclosed that are required to be reported in accordance with Section 200.516(a) of Uniform Guidance?	Yes

Major Programs	Federal Assistance Listing Number	Federal Expenditures
Coastal Wetlands Planning, Protection and Restoration Program	15.614	\$ 557,191
Airport Improvement Program	20.106	3,249,227
	20.500, 20.507,	
Federal Transit Cluster	20.525, 20.526	1,171,709
Emergency Rental Assistance Program - COVID-19	21.023	4,515,115
Coronavirus State and Local Fiscal Recovery Fund - COVID-19	21.027	5,693,867
Total Major Programs		\$ 15,187,109
Threshold for distinguishing between Type A and B programs		\$ 750,000
Does the County qualify as a low risk auditee?		Yes

COMMISSIONERS OF ST. MARY'S COUNTY

**Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2022**

Section II – Financial Statement Findings

None noted.

COMMISSIONERS OF ST. MARY'S COUNTY

Schedule of Findings and Questioned Costs For the Year Ended June 30, 2022

Section III – Federal Award Findings

Finding 2022-001

U.S. Department of Transportation Assistance Listing Number 20.106 – COVID-19 – Airport Improvement Program Compliance and Internal Controls Deficiency over Reporting Repeat Findings: No

Criteria:

In accordance with 2 CFR §200.303, The non-Federal entity must: (a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award.

Until the grant is completed and closed, the grantee is responsible for submitting SF-271 (construction projects) reports due 90 days after the end of each Federal fiscal year in which this grant is open (due December 31 of each year this grant is open).

Condition and Context:

For 1 out of 3 selections, the County did not submit the reports timely to the Federal agency.

Cause:

The County did not have the controls and resources in place to ensure timely completion of the SF-271 (construction projects) report.

Effect or Potential Effect:

The County is not in compliance with the reporting requirement.

Questioned Costs:

None.

Recommendation:

We recommend that the Organization adhere to the required submission dates.

Views of Responsible Officials:

Management agrees with the finding. Refer to the Corrective Action Plan Section of this report.

COMMISSIONERS OF ST. MARY'S COUNTY

**Corrective Action Plan
For the Year Ended June 30, 2022**

There were no findings noted in the June 30, 2021 single audit report.

COMMISSIONERS OF ST. MARY'S COUNTY

Corrective Action Plan For the Year Ended June 30, 2022

ST. MARY'S COUNTY GOVERNMENT
DEPARTMENT OF THE
COUNTY ADMINISTRATOR

David A. Weiskopf, County Administrator



Commissioners of St. Mary's County

James R. Guy, President

Michael R. Alderson, Jr., Commissioner

Eric S. Colvin, Commissioner

Michael L. Hewitt, Commissioner

Scott R. Ostrow, Commissioner

Finding 2022-001

Planned Corrective Action: The grant management duties will be assigned to more than one person to avoid late reports being submitted in the future. Additionally, more than one staff member in Department of Public Works (DPWT) will have the ability to submit reports in the event the lead grants manager is unavailable. If future reports are expected to be late, the Deputy Director of Finance will be notified as to why the report is late.

Name of Contact Person: James Gotsch, Director/Department Head

Anticipated Completion Date: The above actions will be implemented before the next quarterly report is due – by April 30, 2023. The additional assigned staff member(s) for the above noted responsibilities will be reported to the Deputy Director of Finance and Chief Financial Officer by April 30, 2023.